

### HO-HO-HO: A BIG MARKET, A BIG ISLAND

Merry Christmas, and now a New Year. The season, like my last column, has been full of good will. As we turn to 2004, some wonder whether it will be as good, or as strong, a year. I recently went to the Big Island and if what I saw there is an indication of the future, then we are in for a strong year but maybe not a good one.

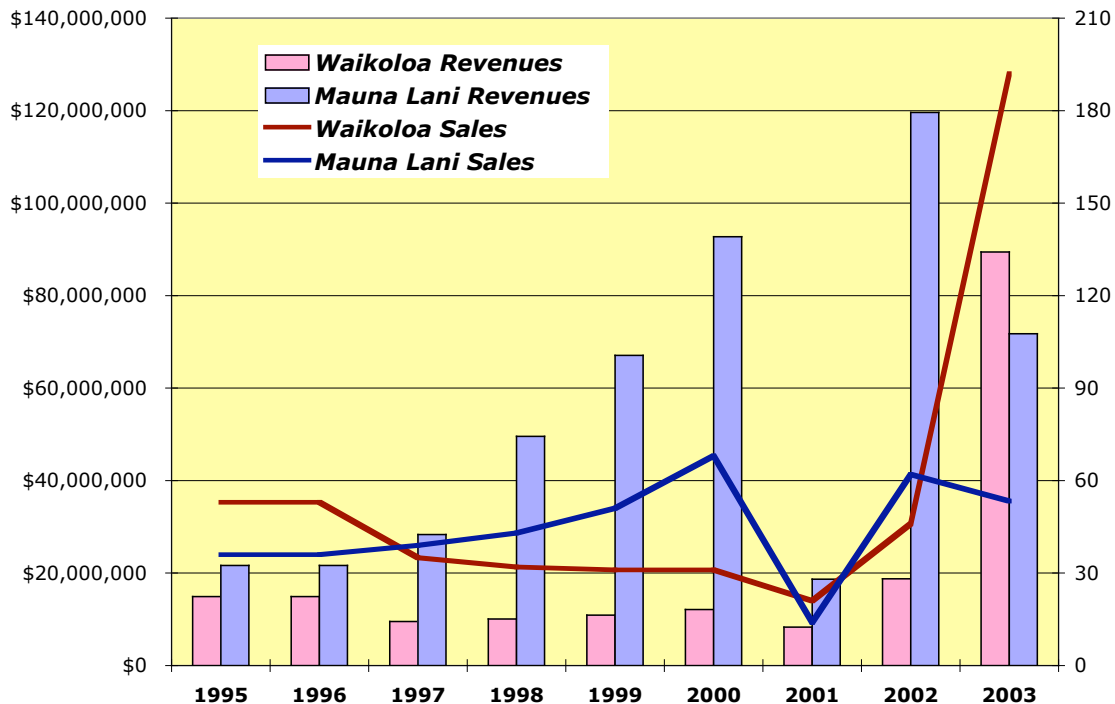
Maybe not a good one? Definitely not a good one for Hokulia, which provided a ton of jobs for local residents and promised hundreds more. It's sad they had to stop, and a bad sad at that.

In terms of a strong market, I need point only as far as the Waikoloa resort and Centex Homes. One is a local landowner of good and long standing (Waikoloa Land Company), the other a newcomer from Central Texas (or Cen-tex, geddit?) that happens to be one of the top five builders in the North America.

Waikoloa, you say? Hasn't that master planned resort community of late sat in the shadow of their next door neighbor, the Mauna Lani Bay, which was lovingly designed around natural ponds and golfing (a sport I'm relatively ignorant of) by Kenny Brown? Yep, but no longer. The proof?

The chart. Which shows sales and revenues roaring along this year. It also shows just how significant a market disturbance the 9/11 event was. Which is why I use the word roaring, because buyers certainly have returned with a vengeance.

### Big Island Resort Sales & Revenues



Many are the reasons for Waikoloa's rebounding sales, but most important to my mind is beach. Specifically Anaeho'omalu beach. Despite having more vowels than consonants (or maybe because), Waikoloa's Anaeho'omalu beach is one of the best on the coast, easily better than other resorts south and north -- save for Mauna Kea, and even that's arguable on the basis of being better sheltered, and better sunsetted (that is, better positioned to watch as the sun sets over the coastline). Best of all, it is sandy (not rocky), shallow and protected from the wind and the waves.

I can't say that all of the 190 families that have closed on a home in Waikoloa since the beginning of the year have walked the beach, but they should have. I bet the 47 ones who bought at Koloa did. Why? Because what they are buying puts them right on the beach. Plus, since they are spending an average \$1.8 million, I bet they are out kicking the sand, so to speak (I would).

Although off on a tangent, this sales activity was so remarkable that I found myself dissecting the numbers in unusual ways. For instance, when the project first opened up, they sold a property every eight and a half days, at an average \$1.6 million, using an outside broker. Then, when the developer shifted over to an in-house (as opposed to out-house, yesss) sales staff, that went up to a sale every three and a half days, at an average of \$1.9 million. Since I broached the subject, what do I attribute it to? It could be the economic climate warming... it could also be the time of the year (April vs. September). It could be a million other things, but I think it boiled down to two: that the developer began digging up the site (thereby giving buyers confidence, to say nothing of a new sales center) and the developer had his own in-house staff, whose lines of communication were a lot tighter (to say nothing of the lines of responsibility).

So, strong market, and a strong effort to bring it out. Above all, it is a strong site. The more I look at the Big Island, with it's other-worldly landscape and incredible coloration, the more I realize how unique and appealing it is. Big, too.

My wish for the New Year? A big market, and a big heart for those involved in the legal wrangling over the narrow definition of an agricultural lot. May it get resolved in favor of a bright future for the whole community. What's that, you ask? A resolution that'll bring the most Christmas presents under the most Christmas trees for the greatest number of kids.